

BEFORE THE
Federal Communications Commission

WASHINGTON, D.C. 20554

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UNITED STATES DEPARTMENT OF COMMERCE
FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, D.C. 20554

In The Matter of)
)
Amendment of the Commission's) GN Docket No. 96-228
Rules to Establish a Part 27,)
the Wireless Communications)
Service ("WCS"))

To: The Commission

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REPLY COMMENTS
OF
SHELL OFFSHORE SERVICES COMPANY

Shell Offshore Services Company ("SOSCO"), by its attorneys, hereby submits these Reply Comments in response to the Notice of Proposed Rule Making ("NPRM") adopted by the Federal Communications Commission ("Commission") in the above-captioned proceeding on November 8, 1996.^{1/} In the NPRM, the Commission proposed to establish a new Wireless Communications Service ("WCS") in the bands 2305-2320 MHz and 2345-2360 MHz and to assign this spectrum through auctions.

I. BACKGROUND

1. On December 4, 1996, over fifty entities, including SOSCO, other providers of wireless telecommunications services, telecommunications equipment

^{1/} 61 Fed. Reg. 59048 (November 20, 1996).

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manufacturers, and telecommunications trade associations, filed Comments with the Commission in response to the NPRM. Generally, the Comments expressed broad support for the proposal to establish a WCS in the 2305-2320 MHz and 2345-2360 MHz bands. However, no consensus emerged concerning the types of services WCS licensees should be allowed to provide, the geographic area that each WCS license should cover, and the amount of spectrum that each WCS licensee should be accorded.

II. REPLY COMMENTS

A. The Commission Should Allocate and License the Bands 2305-2320 MHz and 2345-2360 MHz in the Gulf of Mexico

2. As SOSCO explained in its Comments, allocating and licensing the 2305-2320 MHz and 2345-2360 MHz bands in the Gulf of Mexico would serve the public interest. SOSCO Comments at pp. 3-6; see also Petroleum Communications, Inc. Comments at pp. 5-6. In recent years, the demand for voice, data, and video telecommunications services in the Gulf of Mexico has increased without any corresponding increase in the availability of spectrum to meet the demand. Providers of telecommunications services in the Gulf of Mexico have been unable to meet the growing demand for many types of services because the spectrum normally used to provide these services is not available for licensing in the Gulf of

Mexico. The need for spectrum in the Gulf of Mexico is particularly acute at deepwater locations. Accordingly, SOSCO again urges the Commission to allocate the bands 2305-2320 MHz and 2345-2360 MHz for use in the Gulf of Mexico and, assuming all of the necessary prerequisites are satisfied, to license the spectrum through auctions.

B. The Commission Should Allocate and License the Bands 2305-2320 MHz and 2345-2360 MHz in the Gulf of Mexico on the Basis of Metropolitan Trading Areas

3. In the NPRM, the Commission noted that licensing WCS spectrum on the basis of large geographic service areas will promote the introduction of the broadest possible range of new telecommunications services and will facilitate their introduction in the most rapid and efficient manner.

NPRM at ¶ 10. SOSCO agrees with the Commission that there are economies of scale that would facilitate deployment of innovative wireless telecommunications services in the WCS spectrum through the licensing of relatively large service areas. For this reason, SOSCO urged the Commission to use Metropolitan Trading Areas ("MTAs") as the basis for licensing WCS spectrum and to treat the entire Gulf of Mexico as an MTA for purposes of licensing the spectrum. SOSCO Comments at pp. 7-8.

4. SOSCO agrees with the vast majority of the commentators that WCS licenses should not be issued on a national or regional basis.^{2/} In this regard, Telephone and Data Systems ("TDS"), noted in its Comments that the Commission has no studies or reports "regarding projected capital costs, time required for rapid deployment, appropriate size in terms of economies of scale, recognition of local 'communities of interest' or the inherent relatively short range propagation characteristics of potential WCS 2 GHz technologies which would compel adoption of nationwide [or regional] licensing here." TDS Comments at p. 5. Without any such studies or reports to support a nationwide scheme for licensing WCS spectrum, SOSCO agrees with TDS that, other than to hasten the proposed auction of WCS licenses, there is no justification for national or regional licensing.

^{2/} See AirTouch Communications, Inc. Comments at p. 7; see also ALLTEL Mobile Communications, Inc. Comments at p. 3; AT&T Wireless Services, Inc. at p. 2; Bell Atlantic NYNEX Mobile, Inc. Comments at p. 4; BellSouth Corporation Comments at p. 6; Cellular Telecommunications Industry Association Comments at p. 12; Digital Satellite Broadcasting Corporation Comments at p. 7; Digivox Corporation Comments at pp. 4-5; DSC Communications Corporation Comments at p. 4; Florida Cellular RSA Limited Partnership Comments at p. 2; Guam Telephone Authority Comments at p. 2; Omnipoint Corporation Comments at p. 8; Pacific Telesis Group Comments at p. 1; PrimeCo Personal Communications, L.P. Comments at p. 10; Puerto Rico Telephone Company Comments at p. 3; SBC Communications, Inc. Comments at pp. 4-5; Sprint Spectrum, L.P. Comments at p. 5; and Vanguard Cellular Systems, Inc. Comments at p. 3.

5. Relatedly, the Commission is required by Section 309(j)(3) of the Communications Act of 1934, as amended, to make opportunities available at auction to the largest variety of potential bidders. 47 U.S.C. § 309(j) (1996). With this in mind, SOSCO agrees with the Comments of AirTouch Communications, Inc. ("AirTouch") that, "[m]ost entities have regional needs and lack the resources to acquire and construct a nationwide network." AirTouch Comments at p. 7. SOSCO, therefore, shares the concern of AirTouch that a national or regional licensing scheme would foreclose all but the largest corporations from participating in an auction for WCS spectrum. Airtouch Comments at p. 6; see also ALLTEL Mobile Communications, Inc. Comments at p. 3.

6. In addition, a national or regional licensing scheme would preclude telecommunications service providers interested in using WCS spectrum to serve a niche market, such as the Gulf of Mexico, from participating in an auction for WCS spectrum. For this reason, SOSCO agrees with the Comments of Digital Satellite Broadcasting Corporation ("DSBC") that an MTA-based licensing scheme will allow small businesses that have identified a niche market to "focus their bidding resources on those markets only and to introduce services in those markets relatively quickly." DSBC Comments at p. 8.

C. The Commission Should Issue a Single License for All 30 MHz of Spectrum in the Bands 2305-2320 MHz and 2345-2360 MHz

7. In its Comments, SOSCO urged the Commission to issue a single license for all 30 MHz of spectrum between 2305 MHz and 2320 MHz and 2345 MHz and 2360 MHz to each WCS licensee. For this reason, SOSCO agrees with the point made by DSC Communications Corporation ("DSC") in its Comments that, "in order to maximize the quality received from and potential value of WCS for wireless services other than [wireless local loop services], as well as to stimulate direct competition to existing fixed and mobile services, the Commission should avoid dividing the spectrum into smaller frequency bandwidths." DSC Comments at pp. 3-4.

8. Many of the commentators expressed a desire to use WCS spectrum for the provision of data services like Internet access and noted that at least 10 MHz is required to provide these sorts of services.^{3/} Based on its own experience, SOSCO agrees that, should the Commission issue licenses for anything less than the full 30 MHz of spectrum available in the bands 2305-2320 MHz and 2345-2360 MHz, WCS

^{3/} See Bellcore Communications Research, Inc. Comments at p. 1; see also BellSouth Corporation Comments at p. 3; Lucent Technologies, Inc. Comments at p. 9; Interactive Services Association Comments at p. 2; Markle Foundation Comments at p. 2; Multipoint Networks, Inc. Comments at p. 1; Omnipoint Corporation Comments at p. 1; PACS Providers Forum Comments at 3; Pocket Communications, Inc. Comments at p. 2; and SBC Communications, Inc. Comments at p. 4.

licensees will be unable to provide the advanced telecommunications services, such as Internet access and other data and video services, on a commercially viable basis. In the Gulf of Mexico, where the population is almost exclusively industrial, potential WCS licensees may decide not to make the enormous investment necessary to provide service unless there is sufficient bandwidth to provide the full panoply of advanced telecommunications services required by the largely industrial population. Accordingly, SOSCO urges the Commission to facilitate the development of advanced telecommunications services by licensing the entire 30 MHz of spectrum between 2305 MHz and 2320 MHz and 2345 MHz and 2360 MHz to each WCS licensee.

D. The Commission Should Not Restrict the Types of Telecommunications Services That WCS Licensees May Provide in the 2305-2320 MHz and 2345-2360 MHz Bands

9. SOSCO agrees with the position taken by many of the commentators that WCS licensees should be permitted maximum flexibility in designing their service offerings.^{4/} In this regard, SOSCO agrees with the position taken by UTC in its Comments that, "where licenses have been issued

^{4/} ALLTEL Mobile Communications, Inc. Comments at p. 2; Bellcore Comments at p. 2; Competitive Policy Institute Comments at p. 3; GTE Comments at p. 3; Guam Telephone Authority Comments at p. 2; UTC Comments at p. 3; Vanguard Cellular Systems Comments at pp. 2-3.

pursuant to competitive bidding, the licensee should have the flexibility, subject to appropriate technical constraints, to offer fixed service, mobile service or both." UTC Comments at p. 3. SOSCO, therefore, urges the Commission to accord WCS licensees maximum flexibility in deciding what types of telecommunications services to offer.

III. CONCLUSION

10. The demand for voice, data, and video telecommunications services in the Gulf of Mexico has increased in recent years without any corresponding increase in the availability of spectrum to meet the demand. Because the bands 2305-2320 MHz and 2345-2360 MHz could be used to satisfy at least some of the spectrum requirements in the Gulf of Mexico, SOSCO supports the Commission's proposal to establish a WCS in these bands and, assuming the prerequisites for auctioning this spectrum are satisfied, it also supports the Commission's proposal to license this spectrum through auctions. SOSCO, however, urges the Commission to include the Gulf of Mexico when allocating and licensing the bands 2305-2320 MHz and 2345-2360 MHz.

WHEREFORE, THE PREMISES CONSIDERED, Shell Offshore Services Company respectfully urges the Federal

Communications Commission to take action consistent with these Reply Comments.

Respectfully submitted,

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